# IN THE UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF TEXAS CORPUS CHRISTI DIVISION

In re:	§	Chapter 11
	§	
Double Play Oil & Gas, Inc.	§	Case No. 25-20130
Debtor	§	
	8	

#### EMERGENCY MOTION FOR USE OF CASH COLLATERAL

#### TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

This motion seeks an order that may adversely affect you. If you oppose the motion, you should immediately contact the moving party to resolve the dispute. If you and the moving party cannot agree, you must file a response and send a copy to the moving party. You must file and serve your response within 21 days of the date this was served on you. Your response must state why the motion should not be granted. If you do not file a timely response, the relief may be granted without further notice to you. If you oppose the motion and have not reached an agreement, you must attend the hearing. Unless the parties agree otherwise, the court may consider evidence at the hearing and may decide the motion at the hearing.

Represented parties should act through their attorney

Emergency relief has been requested. If the Court considers the motion on an emergency basis, then you will have less than 21 days to answer. If you object to the requested relief or if you believe that the emergency consideration is not warranted, you should file an immediate response..

COMES NOW Double Play Oil & Gas, Inc., Debtor herein, and files this Emergency Motion for Use of Cash Collateral, and in support thereof would show the following:

1. By this Motion, the Debtor seeks interim and final relief allowing it to use cash collateral in the continuing operation of its business.

#### JURISDICTION AND PROCEDURAL BACKGROUND

2. On May 5, 2025, (the "Petition Date"), Debtor filed a voluntary petition for relief under subchapter V of chapter 11 (the "Bankruptcy Code") in the United States Bankruptcy Court

for the Southern District of Texas, Corpus Christi Division ("Court"), thereby commencing this chapter 11 case ("Case"). Debtor continues in possession of its property and it is operating and managing its business as a debtor in possession pursuant to the provisions of 11 U.S.C. §§ 1107(a) and 1108.

- 3. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1334 and 157. This Motion is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A). Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.
  - 4. The basis for the relief herein is primarily grounded in 11 U.S.C. §363.

#### **Overview**

5. The Debtor is a small oil and gas operator with properties in Bee, DeWitt, Duval, Goliad, Jim Wells, Karnes, Lavaca, Live Oak, Nueces and Victoria Counties. Its bankruptcy proceeding was precipitated by foreclosure proceedings initiated by Freedom Bank.

#### **Creditors with a Possible Interest in Cash Collateral**

6. Debtor's counsel has reviewed the UCC financing statements on file with the Texas Secretary of State. Numerous liens appear of record. Debtor has not included lapsed or terminated financing statements on this summary. Debtor has not reviewed the real estate records in every county but is aware that Freedom Bank has filed Deeds of Trust in multiple counties.

Date	Creditor	Amount	Collateral	
5/20/2019	Freedom Bank	\$283,000.00	Deeds of Trust	
5/23/2020	US Small Business	\$49,182.00	Blanket lien on	
	Administration		personal property	
			assets	
06/10/2020	Corporation Service	Unknown	Future Receipts	
	Company as			
	Representative			
9/22/2020	RDM Capital	\$0	All assets	
	Funding, LLC			

1/26/2023	Corporation	Service	Unknown	All personal property
	Company	as		
	Representativ	ve		
4/7/2023	CT Con	rporation	Unknown	All personal property
	System	as		
	Representativ	ve		

7. Certain creditors have chosen to file their UCC-1 financing statements using CT Corporation Service, as representative of Corporation Service Company, as representative.

Usually, this is done by Merchant Cash Advance lenders. The Debtor is aware of the following secured creditors on its books and records who are not otherwise accounted for above which are likely the underlying creditors for the anonymous lienholders:

Blue Grass Lending	\$105,827.50
Group	
On Deck	\$77,456.00

8. The Debtor has several types of assets. It holds interests in oil and gas wells which are real estate under Texas law. Freedom Bank appears to be the only creditor with a deed of trust interest.

#### **Debtor's Preliminary Monthly Budget and Expenses**

9. The Debtor's proposed budget for the next month is attached hereto as Exhibit A. Debtor proposes to pay its usual and customary operating expenses. The Debtor's budget reflects income of \$16,000.00 per month and expenses of \$18,797.11. As a result, Debtor will not be able to pay all of the expenses on the budget. Debtor will give priority to the expenses which directly affect the operation of the oil and gas wells, such as field electr4icity,m fuel and lube for pumping units, field contract labor and supervision and liability insurance.

#### **NECESSITY FOR REQUESTED RELIEF**

- 10. Debtor generates Cash Collateral from the operation of its business when it produces oil and gas and sells its products.
- 11. Debtor can meet its ongoing post-petition obligations only if it borrows funds post-petition or obtains authority for use of Cash Collateral. The Debtor seeks to fund its operations from use of cash collateral

# ARGUMENTS AND AUTHORITIES IN SUPPORT OF REQUEST FOR TEMPORARY AND FINAL USE OF CASH COLLATERAL

- 12. Debtor requires immediate authority from the Court to use the Cash Collateral in the ordinary course of its business on an interim basis until there is a final hearing on this Motion as well as to borrow funds for its operations.
  - 13. Debtor requests the authority to use cash collateral to operate its business.
- 14. Under 11 U.S.C. §363(c)(2), the Debtor may not use, sell, or lease the Cash Collateral without the Court's authority or consent. Section 363(e) allows the Court to grant this authority upon the provision of adequate protection to the secured parties.
- 15. Debtor requires the continued authority to use Cash Collateral beyond the interim period in order to continue its business until a plan of reorganization can be confirmed. Debtor's need to use the Cash Collateral will continue during the pendency of this bankruptcy case.
- 16. Debtor also requests that this Court schedule a hearing for final approval on the use of Cash Collateral, on notice to creditors and parties in interest, in the event an objection is filed to the terms of the interim order.
- 17. The immediate and temporary approval for the use of the Cash Collateral is consistent with (i) Bankruptcy Code requirements for maintaining the going concern of a debtor's business operations; (ii) the law under 11 U.S.C. §§ 363 and 361 as to the use of cash collateral and adequate protection; and (iii) facilitating a successful reorganization under chapter 11 of the

Bankruptcy Code.

- 18. The failure to authorize the immediate use of Cash Collateral on which the secured parties hold liens will result in a swift and significant deterioration of Debtor's business. Failure to gain authority to use, sell, or lease such collateral will result in a cessation of Debtor's business activities.
- 19. The Bankruptcy Code contemplates a debtor's use of collateral during the reorganization of its business. Sections 102(1) and 363 of the Bankruptcy Code provide that collateral may be used upon notice and opportunity for a hearing appropriate in the particular circumstances. Relief may be authorized without an actual hearing if there is insufficient time available and adequate protection has been provided. 11 U.S.C. § 363(e). The combination of Debtor's emergency needs to satisfy pending obligations and current operating needs, together with the provision of adequate protection are sufficient to authorize the interim use of the collateral as set forth herein.
- 20. Section 361 of the Bankruptcy Code sets forth various types of adequate protection which Debtor may provide:
- a. making periodic cash payments to the extent that the creditor suffers a decrease in the value of its interest in such property;
- b. granting replacement liens in collateral to compensate the creditor for any decrease in the value of the creditor's interest in such property; or
- c. granting other relief as will result in the realization of the indubitable equivalent of the creditor's interest in collateral.

Additionally, the presence of an equity cushion may be sufficient to provide adequate protection.

21. Debtor proposes to provide adequate protection to the parties with an interest in cash

collateral in the following manner.

a. The Debtor shall provide all creditors with an interest in cash collateral with a

replacement lien upon assets obtained post-petition to the same extent, priority and validity as their

pre-petition liens.

b. Debtor will maintain insurance upon its assets.

WHEREFORE, Debtor requests that the Court authorize the use, sale, or lease of Cash

Collateral on an interim basis and, upon setting and conducting a final hearing, issue a final order

authorizing the use, sale, or lease of such cash collateral with the adequate protection to the secured

parties as set forth herein; and grant any other and further relief to which Debtor is entitled.

Dated: May 5, 2025 Respectfully Submitted,

BARRON & NEWBURGER, P.C.

7320 N. Mopac Expy, Suite 400 Austin, Texas 78731 (512) 649-3243

/s/ Stephen Sather Stephen Sather State Bar No 17657520 Proposed Counsel for Debtor

#### **CERTIFICATE OF SERVICE**

I certify that, on May 5, 2025, a copy of the foregoing Motion was served by first class mail, postage prepaid and properly addressed, or by the Court's CM/ECF noticing system to all parties registered to receive such notice, served on all parties listed on the attached Service List and by email to:

<u>Daniel.hu@usdoj.gov</u> <u>jcummings@atlashall.com</u>

<u>/s/ Stephen Sather</u> Stephen Sather

Label Matrix for local noticing 0541-2

Case 25-20130

Southern District of Texas

Corpus Christi

Mon May 5 17:38:22 CDT 2025

2W Services PO Box 1028

Goliad, TX 77963-1028

AJ Logistics PO Box 3171 Alice, TX 78333-3171

Air Equipment 406 S. Navigation

Corpus Christi, TX 78405-4001

Analysis Laboratories 3512 Montopolis Dr Austin, TX 78744-1418

Buesing Contract PO Box 12 Yorktown, TX 78164-0012

CUDD Energy Services PO Box 203379 Dallas, TX 75320-3379

Cimarron Engineering PO Box 1536 Kingsville, TX 78364-1536

Cody Smith P.O. Box 1071 Hebbronville, TX 78361-1071

Cortes Lease Service PO Box 23 Ganado, TX 77962-0023 Case 25-20130 Document 2 Filed in TXSB on 05/05/25 icing Double Play Oil & Gas, Inc

PO Box 520

Portland, TX 78374-0520

3J Services 434 Gentry Rd Inez, TX 77968-3340

Action Oilfield Constr 507 W York St. Ganado, TX 77962-8425

Alamo Tubing Testers Po Box 2087 Alvin, TX 77512-2087

Black Gold Surveying PO Box 3416 Alice, TX 78333-3416

Buesing Prod Service PO Box 12 Yorktown, TX 78164-0012

Carolyn DeCamp P.O. Box 592210 San Antonio, TX 78259-0160

Coastal Bend Wellhead 4841 Santa Elena Corpus Christi, TX 78405-3621

Conard Saltwater 400 County RD 152 George West, TX 78022-3410

19230 FM 442 Road Needville, TX 77461-5709 Page 7 of 12

United States Bankruptcy Court 1133 North Shoreline Blvd #208 Corpus Christi, TX 78401-2042

4K Resources 118 Crawford Dr. Victoria, TX 77904-9604

Advanced Hydrostatic 4900 Texoma Pkwy Sherman, TX 75090-2059

American Ad Valorem PO Box 6330 Corpus Christi, TX 78466-6330

Blue Grass Lending Group Po Box 919 Pewee Valley, KY 40056-0919

COT Oil Tool P.O. Box 1619 Giddings, TX 78942-1479

Chemical Conditioning P.O. Box 41 Hallettsville, TX 77964-0041

Coastal Quick Rent, LLC 604 Osage St. Refugio, TX 78377-3229

Continental Pump 1013 Hunters Circle Victoria, TX 77905-3969

DS oilfield Construction P.O. Box 3368 Alice, TX 78333-3368

Day County Services 183922 E CO Rd. 60 Arnett, OK 73832-1780

## Case 25-20130 Document 2 Filed in TXSB on 05/05/25

13042 County Road 1296 Sinton, TX 78387-5427 Page 8 of 12 Dinosaur Oilfield Services 421 Taos Dr Victoria, TX 77904-3777

Discount Oilfield Equipment

PO Box 520

Portland, TX 78374-0520

EG III Trucking LLC Po Box 732951 Dallas, TX 75373-2951 Energy Fishing PO Box 732951 Dallas, TX 75373-2951

Fitzpatrick P.O. Box 1149 El Campo, TX 77437-1149 Force Trucking 4841 Santa Elena Corpus Christi, TX 78405-3621 Freedom Bank 533 N Alamo Rd Alamo, TX 78516-2307

G&N Construction Po Box 2360 Abilene, TX 79604-2360 GM Compressor Alice, TX 78333

Galbraith 6659 C R 1432

Aransas Pass, TX 78336

Genco Energy Services P.O. Box 720130 Mcallen, TX 78504-0130 Great American Financial Svcs Po Box 660831 Dallas, TX 75266-0831 Gulf Coast Lease Service PO Box 1541 Mcallen, TX 78505-1541

H & K Well Service P.O. Box 1778 Freer, TX 78357-1778

Hefte 13434 Leopard St #A29B Corpus Christi, TX 78410-4466 J B hunt Contracting 940 Live Oak Dr. Inez, TX 77968-3642

Jack Cowley Supply P.O. Box 3546 Alice, TX 78333-3546 Jean Shaw 6427 FM 442 Boling, TX 77420-9821 Jose Rodriguez Trucking 502 CR 238 Ganado, TX 77962-8509

Joy Pearson 1710 Palm Valley Dr. W Harlingen, TX 78552-8955

K & R Operating
P.O. Box 4985
Houston, TX 77210-4985

Kent Chopelas 220 E San Patricio Ave. Mathis, TX 78368-2348

L.O. Construction PO Box 810 Premont, TX 78375-0810 Lagarto Rentals Tools PO Box 2100 Alice, TX 78333-2100

Lone Star Industries P.O. Box 188 Hebbronville, TX 78361-0188

Lynn Shipp P.O. Box 715 Sandia, TX 78383 MAK Land Services 615 Leopard St. Corpus Christi, TX 78401-7801

Martin Water Well 2151 N Hwy 77 Robstown, TX 78380

Case 25-20130 Document 2 Filed in TXSB on 05/05/25 Mesa Southern P.O. Box 458

P.O. Box 349

Ganado, TX 77962-0349

Page 9 of 12 Moncla Workover

P.O. Box 5935, Drawer #2351 Troy, MI 48007-5935

Montez Electric Po Box 1310 Alice, TX 78333-1310

Houston, TX 77001-0458

Moulton Oilfield Service P.O. Box 4086

Alice, TX 78333-4086

Newman Operating Po Box 448 Freer, TX 78357-0448

OK Lease Service Po Box 1092

Beeville, TX 78104-1092

Oilfield Compression 2107 Benbow Rd

Inez, TX 77968-3319

Petroleum Prod Svc

Alice, TX 78333-4238

Po Box 4238

On Deck

4700 W Daybreak Pkwy Ste 200 South Jordan, UT 84009-5133

Paloma Lease Service

Po Box 1116

George West, TX 78022-1116

Pipeline Measurement

Po Box 193

Agua Dulce, TX 78330-0193

Pitney Bowes PO Box 981022

Boston, MA 02298-1022

Production Equipment

Po Box 2621

Corp Christi, TX 78403-2621

RPM Swabbing Services

Po Box 3106

Victoria, TX 77903-3106

Ram Gear

6150 E Highway 44 Alice, TX 78332-7384

Richard Deal P.O. Box 1170

Yorktown, TX 78164-1170

Rockin B Po Box 1167

Kingsville, TX 78364-1167

S&D Vacuum

710 Buffalo St Ste 802 Corp Christi, TX 78401-1902

SPN Well Service Po Box 201934 Dallas, TX 75320-1934 Saenz Construction Po Box 1348

George West, TX 78022-1348

Sam J. Wostal Estate 2732 County Road 476

Centerville, TX 75833-1844

Samson Pump & Supply Po Box 3466 Alice, TX 78333-3466 Sidney Otahal 4310 Pecan Bayou Ct Corp Christi, TX 78410-5617

Skilled Oilfield

Po Box 963 Sinton, TX 78387-0963 Small Business Administration 2120 Riverfront Drive Suite 100

Little Rock, AR 72202-1794

South Coast Oilfield Service

Po Box 520

Portland, TX 78374-0520

(p) SOUTHPOINT RENTALS LLC

PO BOX 511

KINGSVILLE TX 78364-0511

South Texas Pump & Supply Po Box 864

Freer, TX 78357-0864

Southern Supply Po Box 300 Freer, TX 78357-0300

Case 25-20130 Document 2 Filed in TXSB on 05/05/25 Page 10 of 12 Texas Cementing

P.O. Box 260784

Corpus Christi, TX 78426-0784

2620 E Corral Ave

Kingsville, TX 78363-4102

Texas Downhole Tools

Stagecoach Way Reserves

Corp Christi, TX 78411-1915

164 Leeper Ln

625 Moray Pl

Victoria, TX 77904-4917

Texas Industrial Po Box 590

George West, TX 78022-0590

Tierra Lease Po Box 366

Kenedy, TX 78119-0366

**US** Trustee

615 E. Houston Street

Suite 533

San Antonio, TX 78205-2055

United States Attorney General

Department of Justice 950 Pennsylvania Ave Nw Washington, DC 20530-0009

United States Department of Justice US Attorney, Civil Process Clerk 601 N. W. Loop 410, Suite 600 San Antonio, TX 78216-5597

War Horse Fishing PO Box 1171

Alice, TX 78333-1171

Water Energy Services

Po Box 4738

Houston, TX 77210-4738

Stephen Wayne Sather Barron Newburger, P.C. 7320 N Mopac Expy

Ste 400

Austin, TX 78731-2347

The preferred mailing address (p) above has been substituted for the following entity/entities as so specified by said entity/entities in a Notice of Address filed pursuant to 11 U.S.C. 342(f) and Fed.R.Bank.P. 2002 (g) (4).

South Point Rentals Po Box 511 Kingsville, TX 78364-0511

The following recipients may be/have been bypassed for notice due to an undeliverable (u) or duplicate (d) address.

(u) Flawless Welding

End of Label Matrix Mailable recipients 101 Bypassed recipients 1 102 Total

DOUBLE PLAY OIL & GAS, INC P O BOX 520 PORTLAND TX 78374 (361)643-6041 FAX (361)643-5041

Double Play Oil & Gas, Inc. Monthly Budget Proposal

Period: May 2025

#### **Purpose:**

This budget outlines the projected expenses for Double Play Oil & Gas, Inc. for the upcoming month. The proposed allocation ensures continuity of office operations, field services, and administrative functions essential for ongoing business activities and increasing production, value and income.

### **Projected Monthly Expenses**

Category	Amount
Internet	\$83.43
Office Rent	\$4,800.00
Phone Service	\$321.00
Office Electricity	\$339.00
Storage Unit	\$294.00
WolfPak Operating Software	\$822.68
Office Supplies	\$94.00
Field Electricity	\$100.00
Fuel and Lube for Pumping Units	\$160.00
Gaugers	\$900.00
Contract Clerical/Bookkeeping	\$3,500.00
Liability Insurance	\$995.00

**Category** Amount

Field Contract Labor and Supervision \$5,700.00 Postage and Printer \$689.00

**Total Projected Monthly Expenses: \$18,797.11** 

Estimated Income for May will be approximately \$16,000.00

### Prepared by:

Glenn Burdine -President

Double Play Oil & Gas, Inc.

May 5, 2025